1 RICHARD T. BOWLES #46234 KENNETH G. JONES #196868 WILLIAM T. NAGLE #180162 2 MICHAEL P. CONNOLLY #238478 **BOWLES & VERNA LLP** 2121 N. California Boulevard, Suite 875 Walnut Creek, California 94596 Telephone: (925) 935-3300 Facsimile: (925) 935-0371 kjones@bowlesverna.com mconnolly@bowlesverna.com 6 7 Attorneys for Plaintiff WEBCOR CONSTRUCTION, INC. dba 8 WEBCOR BUILDERS

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA - SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA for the use and benefit of WEBCOR CONSTRUCTION, INC. dba WEBCOR BUILDERS, and WEBCOR CONSTRUCTION, INC. dba WEBCOR BUILDERS,

Plaintiffs,

VS.

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DICK/MORGANTI, a joint venture; DICK CORPORATION; THE MORGANTI GROUP: AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA; NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA; and DOES 1-10, inclusive.

Defendants.

AND RELATED THIRD-PARTY ACTIONS AND CROSS-ACTIONS

CASE NO. 3:07-CV-02564-CRB

WEBCOR CONSTRUCTION'S STATUS UPDATE RE: STAY OF PROCEEDINGS

Date: Time: January 30, 2008 4:00 p.m.

Dept.:

Courtroom 8

Judge:

Hon. Charles R. Brever

At the last Case Status Conference the Court dissolved the Stay with respect to Webcor's claims for payment of retention and base contract amounts, as well as in relation to Change Order Nos. 63, 64 and 65. Defendants were further Ordered to Answer Webcor's claims in this regard by no later than January 19, 2008.

Suite 875

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With respect to Webcor Change Order Nos. 61 and 62, Dick/Morganti agreed to immediately certify and pass these claims through for payment to the GSA upon receipt of a Certification from Webcor stating that the costs identified in the Change Orders were true and accurate and currently due and owing to Webcor. Webcor provided said certification to DMJV on January 15, 2007. See Exhibit "A" hereto.

If Dick/Morganti has failed to certify and pass Webcor's Change Order Nos. 61 and 62 through to the GSA by the date of the next Status Conference, then Webcor respectfully requests that the Court lift the Stay in relation to these two Change Orders.

Dated: January 15, 2008

BOWLES & VERNA LLP

By:

KENNETH G. JONES Attorneys for Plaintiff

WEBCOR CONSTRUCTION, INC.

dba WEBCOR BUILDERS

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Richard T. Bowles
Michael P. Verna
Robert I. Westerfield
Richard A. Ergo
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Mary P. Sullivan
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Brian D. Horwitz
Michael P. Connolly
Steven P. McFarlane
Veronica Ann O. Benigno

David W. Trotter

January 15, 2008

Via Fax and Mail (415) 575-9930

Patrick S. Hallinan Law Offices of Hallinan & Wine 345 Franklin Street San Francisco, California 94102

Re: Webcor/Dick-Morganti

Dear Mr. Hallinan:

Attached please find Webcor's certification for Change Orders Nos. 61 and 62. As you can see, the certification complies, verbatim, with what you represented to the Court was needed for DMJV to immediately pass these claims through to the GSA. Please have DMJV immediately certify these Change Order Nos. 61 and 62 and submit them to the GSA. Also, please copy me on DMJV's certification and the transmittal of the claims to the GSA.

Please take notice that if, by the close of business on January 18, 2008, we have not received confirmation that DMJV has certified these claims and passed them on to the GSA, then we will ask the Court to allow Webcor to move forward with litigating these Change Orders at the next status conference.

Please do not hesitate to call if you have any questions.

Very truly yours,

KENNETH G. JONES

Encl.

cc: Joel Heusinger

EXHIBIT A

Certification of Claim

I certify, under penalty of perjury, that Webcor's claim for additional compensation as embodied in COR Nos. 61 & 62 on the GSA Project No. NCA 00049 is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the contractor believes Dick Morganti is liable; and that I am duly authorized to certify the claim on behalf of the contractor."

Dated:

By:\

Webcor Concrete